



INTERNAL AUDIT

FINANCIAL RELATED AUDIT

TREASURER TURNOVER AUDIT

April 5, 2004

Roanoke City Council Audit Committee
Roanoke, Virginia

We have completed our portion of the audit of the Treasurer's office. Our audit work was performed in accordance with government auditing standards.

PURPOSE

The purpose of this audit was to determine the outgoing Treasurer's accountability for assets at the time of turnover. State Code Section 58.1-3136 requires that a turnover audit be performed when a treasurer leaves office. The State Code also requires that the Auditor of Public Accounts (APA) audit the state funds held by the treasurer and that the local funds be audited by independent certified public accountants in accordance with the specification of the APA.

SCOPE

The scope of our portion of the audit consisted of verifying assets on hand and testing the Schedules of the Treasurer's Accountability of David C. Anderson, Treasurer of the City of Roanoke at December 31, 2003. We tested receipts and disbursements for the period July 1, 2003 to December 31, 2003. This period was from the date of the latest external audit to the date of the outgoing treasurer's retirement.

METHODOLOGY

We physically verified assets on hand as of December 31, 2003, in the Treasurer's office and compiled the necessary turnover receipts, which were signed by the outgoing and incoming Treasurers. Turnover receipts were prepared for the following items: cash on deposit, cash equivalents and investments, cash items on hand, returned checks on hand, uncollected current and delinquent real estate taxes, uncollected current and delinquent personal property taxes, uncollected current and delinquent public service taxes, uncollected current and delinquent business license taxes, unused receipt books, unsold dog license tags, unsold vehicle license decals, unsold cigarette tax stamps, and unused check stock. We verified bank and investment balances reported by the Treasurer with statements obtained from the respective financial institutions. We verified the accuracy of uncollected tax balances with records from the Commissioner of Revenue's office. We compiled the Treasurer's Accountability Schedules based on various source documents obtained from the Treasurer. We also verified that the

outgoing Treasurer requested that access to the City's systems and financial accounts be removed, and proper security measures were taken by the incoming Treasurer.

RESULTS

We completed the necessary test work related to the turnover audit, and noted no significant findings. Our opinion letter on the Schedules of Treasurer's Accountability is presented in Attachment 1. The APA's independent report on the Audit of Commonwealth Revenues is presented in Attachment 2.

CONCLUSION

We completed our portion of the audit related to the Treasurer's accountability. We noted no significant findings and have conveyed our reports to the APA.

We would like to thank the Treasurer's office for their cooperation and assistance during the course of this audit.

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Municipal Auditor

Michael Tuck, CPA, CGAP
Assistant Municipal Auditor

Kevin Nicholson, CPA, CFE
Senior Auditor



Municipal Auditing

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Independent Accountant's Report

We have examined the accompanying Schedules of the Treasurer's Accountability of David C. Anderson, Treasurer of the City of Roanoke, Virginia, at December 31, 2003, and the related Schedules of the Treasurer's Accountability to the City, Roanoke City public Schools, Department of Social Services, and the Circuit Court of the City of Roanoke for the period July 1, 2003 through December 31, 2003. We have also examined the accompanying treasurer's turnover receipts of assets. These schedules and receipts are the responsibility of the City's treasurer. Our responsibility is to express an opinion based on our examination. We did not examine the Schedule of Treasurer's Accountability to the Commonwealth or the Turnover Receipt of Uncollected State Taxes from Outgoing Treasurer to Incoming Treasurer. These schedules were examined by other accountants whose report has been furnished to us, and our opinion, insofar as it relates to the amounts shown on these schedules, is based solely on the report of the other accountants.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts. Those standards include examining, on a test basis, evidence supporting the Schedules of Treasurer's Accountability and Turnover Receipts of Assets and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Section 58.1-3136 of the Code of Virginia requires a turnover audit whenever a treasurer leaves office. The accompanying treasurer's accountability schedules and turnover receipts of assets were prepared to demonstrate the treasurer's accountability at December 31, 2003 and to turn over the assets reported on the schedules to Evelyn W. Powers, who was appointed treasurer effective January 1, 2004.

In our opinion, based on our examination and the report of other auditors, the schedules referred to above present, in all material respects, the accountability of David C. Anderson, Treasurer of the City of Roanoke, Virginia at December 31, 2003 and his accountability to the City, Commonwealth, Roanoke City public Schools, Department of Social Services, and the Circuit Court of the City of Roanoke for the period July 1, 2003 through December 31, 2003, on the cash basis of accounting. Also, in our opinion, based on our examination and the report of other auditors, the schedules referred to above present, in all material respects, the assets turned over to the incoming treasurer at December 31, 2003.

This report is intended solely for the information and use of the Council, management, and the Auditor of Public Accounts and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Drew Harmon, CPA, CIA
Municipal Auditor

Kevin Nicholson, CPA, CFE
Senior Auditor

Michael Tuck, CPA, CGAP
Assistant Municipal Auditor



Walter J. Kucharski, Auditor

**Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218**

February 19, 2004

Evelyn W. Powers
Incoming Treasurer

David C. Anderson
Outgoing Treasurer

City Council
City of Roanoke

Independent Accountant's Report

We have examined the accompanying Schedule of the Treasurer's Accountability to the Commonwealth of David C. Anderson, Treasurer of the City of Roanoke, for the period July 1, 2003 through December 31, 2003. All records supporting the amounts in this schedule are the Treasurer's responsibility. Our responsibility is to express an opinion based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards include examining, on a test basis, evidence supporting the amounts in the Schedule of Treasurer's Accountability and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Section 58.1-3136 of the Code of Virginia requires a turnover audit whenever a treasurer leaves office. The examination was performed to determine the accountability of the Treasurer at December 31, 2003 and to turn over the assets, accounts, and records of the office to Evelyn W. Powers, the newly appointed Treasurer.

In our opinion, based on our examination, the schedule referred to above presents fairly, in all material respects, Commonwealth Funds collected and remitted by David C. Anderson, Treasurer of the City of Roanoke, Virginia, for the period July 1, 2003 through December 31, 2003, on the cash basis of accounting.

AUDITOR OF PUBLIC ACCOUNTS

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